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Actuarial Report as at December 31, 2000

Public Service Group Insurance Fund

June, 2001

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1. Actuaries' Report

- Purpose

The purpose of this Report is to determine the financial position of the Public Service Group Insurance Fund (Fund) as at December 31, 2000, and review the adequacy of the contributions being paid to the Fund. The Fund is provided for under The Public Servants Insurance Act of Manitoba. The Fund is held in the custody of the Minister of Finance.

The Fund consists of the following Plans:

- Employees' Group Life Insurance Plan (Employees' Plan),
- Accidental Death and Disablement Insurance Plan (AD&D Plan), and
- Dependents' Group Life Insurance Plan (Dependents' Plan).

Each Plan will be reviewed separately in this Report.

The last review of the Plans was performed as at December 31, 1997 (1997 Valuation Report). This Report reviews the further experience that has developed in the 3-year period ending December 31, 2000.

The actuarial valuation contemplates that the Fund and each Plan will continue to exist (going concern). Employees will continue to participate in the Fund upon fulfilment of eligibility requirements, and participating employers will also continue to participate in the Fund. The withdrawal of a group may have an adverse or favourable effect. The calculations contemplate the tax exempt status of the Fund under Section 149 of the Income Tax Act (ITA) continues in the future.

The Plan amendments and reduction in the contribution rates effective July 3, 1999 have been reflected in this Report.

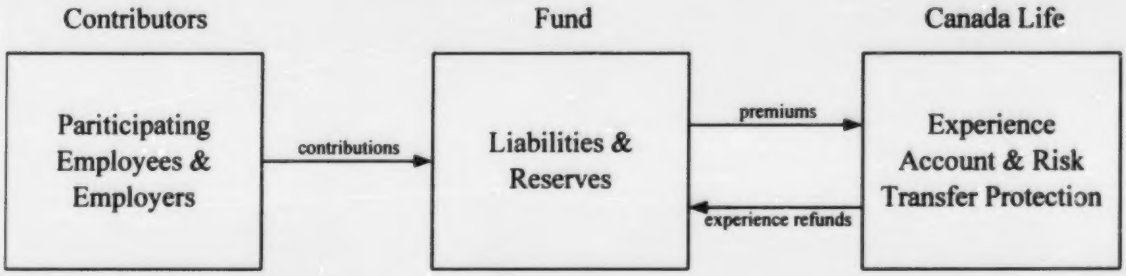
The liabilities for future disabled employees and future retired employees reflects only those active employees who are age 55 or older at the valuation date (eligible to retire). This protects the Fund from abnormal increases in liability due to events such as voluntary early retirement incentive programs. The contribution rate level is sufficient, on average, to provide for active employees younger than age 55 at the valuation date.

The liabilities for existing retired employees and existing disabled employees have been retained due to the ongoing post-retirement and waiver of contribution coverage which continues to be the responsibility of the Fund. These liabilities may only be eliminated if the participating employees or the employers are willing to assume these responsibilities. Similar liabilities would have to be established by a succeeding insurer if the Fund were ever wound-up.

New employees do not require medical evidence to obtain insurance. In addition, claims fluctuations occur on an annual basis. As a result, margins or provisions for adverse deviation have been maintained to offset such experience. Contingency Reserves to provide for possible future adverse deviations, equal to a portion or multiple of next year's expected premiums, have been established on the Valuation Balance Sheets. These reserves provide some assurance that claims fluctuations will not result in an unanticipated contribution rate increase in the near future.

- Operation of the Fund

The Fund is the mechanism by which credits and charges of the Plans are maintained. Contributions are paid into the Fund. Premiums and administrative charges are paid out of the Fund.



The Fund receives contributions for all members except those employees who are disabled or paid-up. These contributions are used to help finance benefits. The Superannuation Board remits the agreed upon premiums to the insurer underwriting the insurance protection.

The rates of contributions paid to the Fund for the Employees' Plan, the AD&D Plan, and the Dependents' Plan are different from the premium rates paid to Canada Life.

The contributions are shared on the basis of the following arrangement:

Insurance	Contribution Sharing			Premium as a % of Contributions
	Employees	Employers	Fund	
Employees' Plan *(23.0¢ per $1,000 monthly)*				
- Active employees (generally)				
- Class I, II, III, IV, V (excl. 5th layer)	72.5%	27.5%	-	86%
- Class V (5th layer only)	100.0	-	-	
- Disabled employees	-	-	100.0%	100
- Retired employees *(23.0¢ per $1,000 monthly)*	19.8	-	80.2	504
AD&D Plan *(3.43¢ per $1,000 monthly)*	-	100.0	-	80
Dependents' Plan *(23.2¢ per $1,000 monthly)*	100.0	-	-	86

The active employees of the Manitoba Liquor Control Commission, Workers' Compensation Board, and the Manitoba Government Employees' Union have different contribution sharing arrangements. These employees represent approximately 4% of all active employees.

- Financial Arrangements with Insurer

The insurance protection is underwritten by Canada Life. Administration of the Policy is handled by Canada Life. For each policy year, a refund or deficit is determined by Canada Life in respect of the experience of each Plan for that year. The net credits (premiums and interest on net cash flow) and debits (claims, charges for catastrophic risk transfer protection, high pooling risk transfer protection, and retention charges) to the experience account for the period under review determine the excess or deficit for the policy year for each Plan. Any excess, which exists as a result of favourable claims experience, is refunded to the policyholder; any deficit is carried forward to the following policy year. Interest is added to any excess from the end of the policy year to the date refund is paid by Canada Life. Interest is charged on any deficit from the end of the policy year to the date the deficit is recovered as a result of a subsequent excess.

All credits and debits are charged to the appropriate part of the Fund.

A waiver of premium reserve is held by Canada Life in respect of waiver of premium claims incurred prior to May 1, 1972. Such reserves are cancelled upon the death, recovery, or attainment of age 65 of an employee, if a reserve was previously established. As at December 31, 2000, the value of this reserve was equal to $32,475.

No other reserves are set up by Canada Life.

- Certification

At present, there is no method in effect which can be used to amortize an experience shortfall in the Fund, if it appears that such a deficiency is not likely to be eliminated naturally as a result of future experience. The Contingency Reserve provides some protection if such an event occurs.

The Fund should be reviewed no later than 3 years from the date of this Report, if not earlier, to monitor the health of the Fund.

We have conducted this valuation in accordance with accepted actuarial principles.

In our opinion, for the purposes of this Report, the data on which this Report is based is sufficient and reliable; the assumptions and methods which have been used in this Report are, in aggregate, appropriate for the purpose of determining the financial position of the Fund on a going concern basis as at December 31, 2000.

ELLEMENT & ELLEMENT LTD.

Dennis Ellement

Dennis Ellement, F.S.A., F.C.I.A.

Louis Ellement

Louis Ellement, F.S.A., F.C.I.A.

Winnipeg, Manitoba.
June 20, 2001

- Executive Summary

	Employees' Plan	AD&D Plan	Dependents' Plan
Valuation Balance Sheets			
ASSETS			
Accrued Assets	$ 89,979,541	$ 5,572,714	$ 4,442,607
Asset Adjustment Reserve	(45,300)	-	-
Allocated Transfer Reserve: 1994	(828,750)	(405,418)	-
Allocated Transfer Reserve: 1999	(5,229,298)	(3,190,311)	-
NET ASSETS	$ 83,876,193	$ 1,976,985	$ 4,442,607
LIABILITIES			
Retired Employees	$ 29,537,000	$ -	$ 563,100
Disabled Employees	12,481,000	-	454,000
Active Employees	24,015,800	-	385,600
Cost of Administration Reserve	1,497,900	76,500	127,800
Contingency Reserve	4,362,600	568,800	848,700
TOTAL LIABILITIES	$ 71,894,300	$ 645,300	$ 2,379,200
EXCESS/(SHORTFALL)	$ 11,981,893	$ 1,331,685	$ 2,063,407
Annual Expected Contributions/Premiums: 2001-2003			
Annual Expected Contributions	$ 10,739,500	$ 609,700	$ 1,984,100
Annual Expected Premiums	10,950,100	502,200	1,526,700
Expected Margin/(Deficiency)	$ (210,600)	$ 107,500	$ 457,400
Margin - as a % of contributions	(1.96)%	17.63 %	23.05 %
Number of Employees Insured	32,591	24,009	15,427
Insured Average Age	50.42	43.97	47.89
Total Coverage	$3,954,826,300	$1,481,318,400	$ 682,192,500
Average Coverage	$ 121,347	$ 61,698	$ 44,221
Maximum Individual Coverage	min ($1,000,000, 5 x salary)	min ($75,000, 3 x salary)	$60,000 plus $3,000 for each child
Minimum Individual Coverage	$ 3,000	min ($25,000, salary)	one unit of $15,000 or NIL
Monthly Contribution Rate per $1,000	23.0¢	3.43¢	23.2¢

- Summary of Actuarial Assumptions

	2000 Valuation	1997 Valuation
Actuarial Methodology	Liabilities for existing retirees and disableds plus actives ≥ age 55	Same
Asset Valuation Method	Market value less a 5-year smoothing asset adjustment	Same
Assumed Rate of Return	6.00% per year	Same
Mortality Rates		
▫ Employees' Plan Non-Disabled	67% CBG Life 1968-72	75% CBG Life 1968-72
▫ Employees' Plan Disabled	67% Krieger 1970 Table	Same
▫ AD&D Plan	Experience Rates	Same
▫ Dependents' Plan	67% CBG Life 1968-72	75% CBG Life 1968-72
Disability Rates (including recovery)	Experience Rates	Same
Pension Plan Rates		
▫ Annual Rate of Productivity	0.50%	0.75%
▫ Annual Rate of General Salary Increases	3.50%	3.75%
▫ Service, Merit and Promotion	1998 Pension Fund Rates	1995 Pension Fund Rates
▫ Retirement Rates	1998 Pension Fund Rates	1995 Pension Fund Rates
% of employees electing to continue life insurance protection after retirement	75% of retiring employees	Same
% of active employees having dependent coverage	Varies by age and sex	Same
Canada Life Retention & Risk Transfer Protection Charges (% of premium)		
▫ Employees' Plan	3.76%	3.20%
▫ AD&D Plan	3.88%	4.50%
▫ Dependents' Plan	2.80%	2.70%
Cost of Administration Reserve	Next 15 years	Same
Contingency Reserve	3 Standard Deviations	% of mean premium
Special Reserve	n/a	Cost of July 3, 1999 improvements
Transfer to Employees' Plan from AD&D Plan Reserve	n/a	Commitment to Employees' Plan
Litigation Reserve	n/a	$952,250

- Sensitivity Analysis

The sensitivity of the 3 Plans to changes in the assumed valuation rate and mortality rates have been examined, as these are 2 of the more dominant actuarial assumptions.

	Employees' Plan	AD&D Plan	Dependents' Plan
Increase/(Decrease) in excess if assumed rate reduced from 6.00% to 5.50% per year	$(2,143,500)	$(2,400)	$ (42,900)
Increase/(Decrease) in excess if the mortality rates are increased from 67% to 75% of the CBG Life 1968-72	(5,797,400)	n/a	(386,700)

2. Employees' Group Life Insurance Plan

- Valuation Balance Sheet

	December 31, 2000	December 31, 1997 *
ASSETS		
Fund Assets	$ 99,994,862	$ 94,885,374
Accidental Death and Disablement Plan	(5,572,714)	(4,222,180)
Dependents' Group Life Insurance Plan	(4,442,607)	(3,032,770)
ACCRUED ASSETS	$ 89,979,541	$ 87,630,424
Asset Adjustment Reserve	(45,300)	(4,572,500)
Allocated Transfer Reserve: 1994	(828,750)	(821,234)
Allocated Transfer Reserve: 1999	(5,229,298)	-
NET ASSETS	$ 83,876,193	$ 82,236,690
LIABILITIES		
Retired Employees (2000: 8,191 / 1997: 7,290)		
▪ Insurance	$ 24,446,200	$ 23,140,700
▪ Insurance: Paid-Up amount	9,674,400	8,989,600
▪ Contributions	(4,583,600)	(3,447,000)
	$ 29,537,000	$ 28,683,300
Disabled Employees (2000: 391 / 1997: 393)		
▪ Insurance - pre age 65	10,368,800	9,689,400
▪ Insurance - post age 65	2,098,600	1,822,800
▪ Insurance - post age 65: Paid-Up amount	118,000	117,400
▪ Contributions - post age 65	(104,400)	(90,500)
	$ 12,481,000	$ 11,539,100
Active Employees (≥ Age 55) (2000: 3,032 / 1997: 2,554)		
Future Retired Employee		
▪ Insurance	22,714,600	16,603,300
▪ Insurance: Paid-up amount	1,166,800	1,310,200
▪ Contributions	(5,031,500)	(3,467,300)
Future Disabled Employees		
▪ Insurance - pre age 65	4,173,300	3,333,800
▪ Insurance - post 65	1,031,400	818,000
▪ Insurance post age 65: Paid-up Amount	41,800	52,800
▪ Contributions - post age 65	(80,600)	(64,100)
	$ 24,015,800	$ 18,586,700
Cost of Administration Reserve	1,497,900	1,462,400
Contingency Reserve	4,362,600	2,839,100
Special Reserve	-	79,400
TOTAL LIABILITIES	$ 71,894,300	$ 63,190,000
EXCESS/(SHORTFALL)	$ 11,981,893	$ 19,046,690

*1997 Special Reserve has been reallocated to reflect July 3, 1999 Plan improvements. No change in the excess of $19,046,690 occurs as a result of this restatement.

▪ Reconciliation of Financial Position: 1998 - 2000

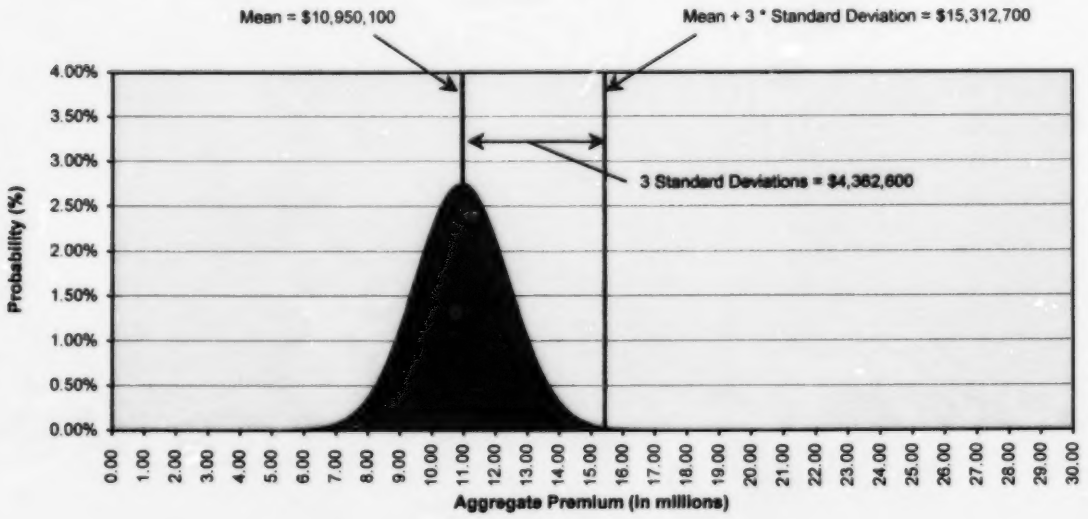
Employees' Group Life Insurance Plan		Excess/ (Shortfall)
Excess/(Shortfall) December 31, 1997		$ 19,046,690
Contributions paid to Group Life Part of Fund		
▪ retired employees (27.3¢ reducing to 23.0¢ per 1,000 per month)	$ 2,750,700	
▪ disabled employees (not applicable)	-	
▪ active employees (27.3¢ reducing to 23.0¢ per 1,000 per month)	28,770,900	
▪ transfer from AD&D Part of Fund (ceased July, 1999)	599,000	32,120,600
Premiums paid to Canada Life		
▪ retired employees (209% increasing to 504% of contributions)	(9,185,900)	
▪ disabled employees	(315,800)	
▪ active employees (70% increasing to 86% of contributions)	(22,364,000)	(31,865,700)
Canada Life Experience (1998-2000)		
▪ premiums	31,865,700	
▪ death claims	(27,454,100)	
▪ premium taxes (2% of premium)	(615,900)	
▪ claims handling charges (.66% of premium)	(207,600)	
▪ conversion risk transfer (.38% of premium)	(20,500)	
▪ high pooling risk transfer (.65% of premium)	(111,100)	
▪ catastrophic risk transfer (.07% of premium)	(19,100)	3,437,400
Net Investment Income		
▪ expected investment income @ 6.00% per year	15,464,100	
▪ excess market investment income gain/(loss)	(436,400)	
▪ investment management fee (.09% of assets)	(321,200)	
▪ asset adjustment reserve change	4,527,200	19,233,700
Cost of Administration		(604,700)
Excess employee contribution distribution		(15,318,400)
Allocated Transfers		
▪ allocated transfer amounts: 1994 (includes interest post-31-Dec-97)	(134,100)	
▪ allocated transfer amounts: 1999 (includes interest post-30-Apr-99)	(5,229,300)	(5,363,400)
Assumptions & Methodology		
▪ retired employees liability	(853,700)	
▪ disabled employees liability	(941,900)	
▪ active employees liability	(5,429,100)	
▪ Cost of Administration Reserve	(35,500)	
▪ Contingency Reserve	(1,523,500)	
▪ Special Reserve	79,403	(8,704,297) *
Excess/(Shortfall) December 31, 2000		$ 11,981,893

*The reduction in the mortality rates from 75% to 67% of CBG Life 1968-72 resulted in a $5,797,400 reduction in the change in liability from ($14,501,697) to ($8,704,297).

- Break-Even Contribution Rate: 2001-2003

Employees' Group Life Insurance Plan		Annual Cash Flow	Monthly ¢/1,000
Annual Expected Contributions			
▪ Actives (24,009 with coverage of $3,581,770,750)		$ 9,885,500	23.0
▪ Pensioners (3,848 with coverage of $309,426,550)		854,000	23.0
▪ Paid-Ups (4,343 with coverage of $13,044,000)		-	-
▪ Waivers (391 with coverage of $50,585,000)		-	-
	Mean Contribution	$ 10,739,500	22.6
Annual Expected Premiums (based on 45% CBG Life 1968-72 "break-even" mortality)			
▪ Active Death Claims		$ 7,504,200	17.5
▪ Pensioner Death Claims		2,395,300	64.5
▪ Paid-Up Death Claims		345,500	220.5
▪ Waiver Death Claims		293,400	48.3
▪ Premium Taxes (2% of premium)		218,900	
▪ Claims Handling Charges (.66% of premium)		72,300	
▪ Conversion Risk Transfer (.38% of premium)		41,600	
▪ High Pooling Risk Transfer (.65% of premium)		71,200	
▪ Catastrophic Risk Transfer (.07% of premium)		7,700	
	Mean Premium	$ 10,950,100	23.1
Annual Expected Margin/(Deficiency)		$ (210,600)	(0.5)

Based on a normal distribution, it is likely that 99.86% of the time the expected annual premium will be less than $15,312,700 (i.e. to the left of the red line set at the mean + 3 standard deviations). Based on this consideration, a claims fluctuation or contingency reserve equal to 3 standard deviations, or $4,362,600, has been established on the Valuation Balance Sheet.



3. Accidental Death and Disablement Insurance Plan

- Valuation Balance Sheet

	December 31, 2000	December 31, 1997
ASSETS		
Accidental Death and Disablement Plan	$ 5,572,714	$ 4,222,180
Asset Adjustment Reserve	-	-
Allocated Transfer Reserve: 1994	(405,418)	(477,666)
Allocated Transfer Reserve: 1999	(3,190,311)	-
NET ASSETS	$ 1,976,985	$ 3,744,514
LIABILITIES		
Value of Transfers to Group Life Insurance Plan	$ -	$ 2,371,700
Cost of Administration Reserve	76,500	191,300
Contingency Reserve	568,800	926,700
Special Reserve	-	52,300
TOTAL LIABILITIES	$ 645,300	$ 3,542,000
EXCESS/(SHORTFALL)	$ 1,331,685	$ 202,514

AD&D Insurance ceases on retirement, disablement, and termination of employment. As a result, no liabilities exist in these situations. Further, prior to retirement, the AD&D contribution rate is, on average, adequate to provide for the insurance protection.

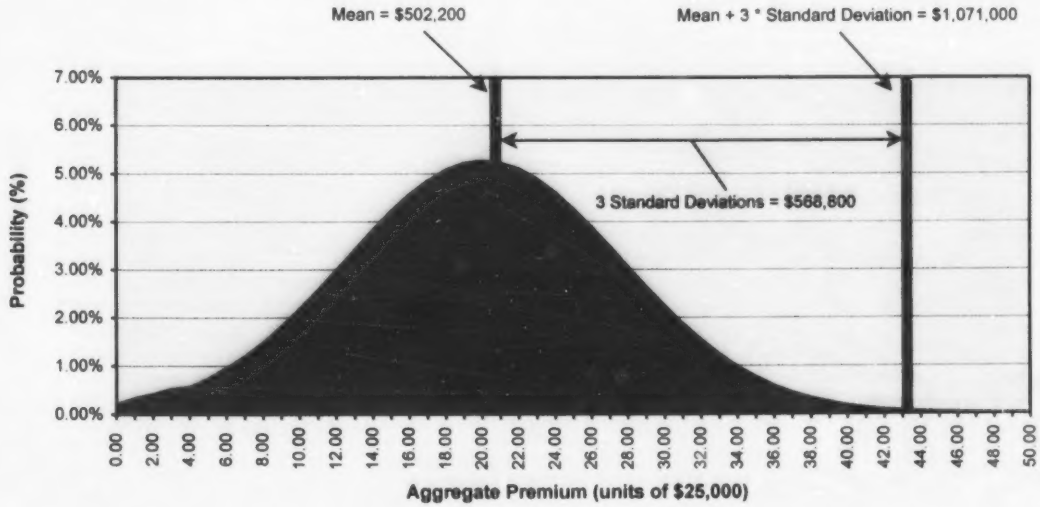
▪ Reconciliation of Financial Position: 1998 - 2000

Accidental Death and Disablement Insurance Plan		Excess/ (Shortfall)
Excess/(Shortfall) December 31, 1997		$ 202,514
Contributions paid to AD&D Part of Fund		
▪ retired employees (not applicable)	$ -	
▪ disabled employees (not applicable)	-	
▪ active employees (4.57¢ reducing to 3.43¢ per $1,000 per month)	2,037,900	
▪ transfer to Group Life Part of Fund	(599,000)	1,438,900
Premiums paid to Canada Life		
▪ retired employees (not applicable)	-	
▪ disabled employees (not applicable)	-	
▪ active employees (60% increasing to 80% of contributions)	(1,426,600)	(1,426,600)
Canada Life Experience (1998-2000)		
▪ premiums	1,426,600	
▪ death claims	(356,300)	
▪ premium taxes (2% of premium)	(12,200)	
▪ claims handling charges (.66% of premium)	(10,200)	
▪ conversion risk transfer (not applicable)	-	
▪ high pooling risk transfer (not applicable)	-	
▪ catastrophic risk transfer (1.22% of premium)	(15,600)	1,032,300
Net Investment Income		
▪ expected investment income @ 6.00% per year	806,100	
▪ excess market investment income gain/(loss)	(322,100)	
▪ investment management fee (.10% of assets)	(11,800)	
▪ asset adjustment reserve change	-	472,200
Cost of Administration		(16,400)
Excess employee contribution distribution (not applicable)		-
Allocated Transfers		
▪ allocated transfer amounts: 1994 (includes interest post-31-Dec-97)	(77,700)	
▪ allocated transfer amounts: 1999 (includes interest post-30-Apr-99)	(3,190,300)	(3,268,000)
Assumptions & Methodology		
▪ retired employees liability (not applicable)	-	
▪ disabled employees liability (not applicable)	-	
▪ active employees liability (not applicable)	2,371,700	
▪ Cost of Administration Reserve	114,800	
▪ Contingency Reserve	357,900	
▪ Special Reserve	52,371	2,896,771
Excess/(Shortfall) December 31, 2000		$ 1,331,685

▪ Break-Even Contribution Rate: 2001-2003

Accidental Death and Disablement Insurance Plan		Annual Cash Flow	Monthly ¢/1,000
Annual Expected Contributions			
▪ Actives (24,009 with coverage of $1,481,318,397)		$ 609,700	3.43
▪ Pensioners (AD&D not applicable)		-	-
▪ Paid-Ups (AD&D not applicable)		-	-
▪ Waivers (AD&D not applicable)		-	-
	Mean Contribution	$ 609,700	3.43
Annual Expected Premiums (based on Fund experience rates)			
▪ Active Death Claims		$ 482,700	2.72
▪ Pensioner Death Claims (AD&D not applicable)		-	-
▪ Paid-Up Death Claims (AD&D not applicable)		-	-
▪ Waiver Death Claims (AD&D not applicable)		-	-
▪ Premium Taxes (2% of premium)		10,100	
▪ Claims Handling Charges (.66% of premium)		3,300	
▪ Conversion Risk Transfer (not applicable)		-	
▪ High Pooling Risk Transfer (not applicable)		-	
▪ Catastrophic Risk Transfer (1.22% of premium)		6,100	
	Mean Premium	$ 502,200	2.83
Annual Expected Margin/(Deficiency)		$ 107,500	0.60

Based on a normal distribution, it is likely that 99.86% of the time the expected annual premium will be less than $1,071,000 (i.e. to the left of the red line set at the mean + 3 standard deviations). Based on this consideration, a claims fluctuation or contingency reserve equal to 3 standard deviations, or $568,800, has been established on the Valuation Balance Sheet.



4. Dependents' Group Life Insurance Plan

- Valuation Balance Sheet

	December 31, 2000	December 31, 1997
ASSETS		
Dependents' Group Life Insurance Plan	$ 4,442,607	$ 3,032,770
Asset Adjustment Reserve	-	(179,400)
Litigation Reserve	-	(952,250)
NET ASSETS	$ 4,442,607	$ 1,901,120
LIABILITIES		
Retired Employees (2000: 2,001 / 1997: 1,800)		
▪ Insurance	$ 1,798,800	$ 1,011,100
▪ Contributions	(1,235,700)	(832,000)
	$ 563,100	$ 179,100
Disabled Employees (2000: 231 / 1997: 256)		
▪ Insurance	505,000	488,400
▪ Contribution - post age 65	(51,000)	(52,300)
	$ 454,000	$ 436,100
Active Employees (≥ Age 55) (2000: 3,032 / 1997: 2,554)		
▪ Insurance	1,040,300	684,800
▪ Contributions	(654,700)	(481,200)
	$ 385,600	$ 203,600
Cost of Administration Reserve	127,800	139,000
Contingency Reserve	848,700	943,320
TOTAL LIABILITIES	$ 2,379,200	$ 1,901,120
EXCESS/(SHORTFALL)	$ 2,063,407	$ -

▪ Reconciliation of Financial Position: 1998 - 2000

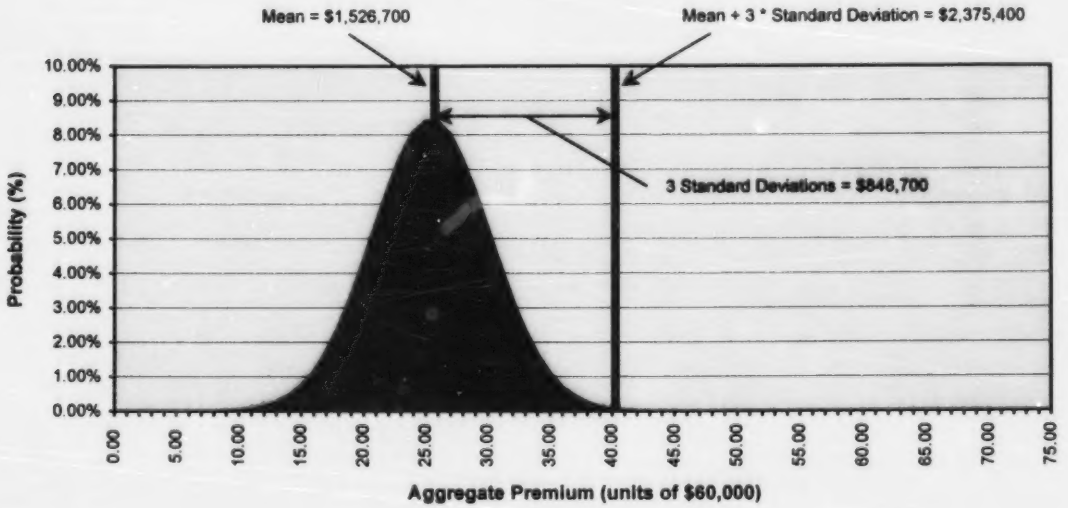
Dependents' Group Life Insurance Plan		Excess/ (Shortfall)
Excess/(Shortfall) December 31, 1997		$ -
Contributions paid to Dependents' Part of Fund		
▪ retired employees (23.2¢ per $1,000 per month)	$ 531,100	
▪ disabled employees	-	
▪ active employees (23.2¢ per $1,000 per month)	5,164,400	5,695,500
Premiums paid to Canada Life		
▪ retired employees (86% of contributions)	(456,700)	
▪ disabled employees (not applicable)	-	
▪ active employees (86% of contributions)	(4,441,400)	(4,898,100)
Canada Life Experience (1998-2000)		
▪ premiums	4,898,100	
▪ death claims	(4,534,300)	
▪ premium taxes (2% of premium)	(92,900)	
▪ claims handling charges (.66% of premium)	(36,500)	
▪ conversion risk transfer (.14% of premium)	(19,200)	
▪ high pooling risk transfer (not applicable)	-	
▪ catastrophic risk transfer (not applicable)	-	215,200
Net Investment Income		
▪ expected investment income @ 6.00% per year	696,200	
▪ excess market investment income gain/(loss)	(94,100)	
▪ investment management fee (.10% of assets)	(14,100)	
▪ asset adjustment reserve change	179,400	767,400
Cost of Administration		(30,200)
Excess employee contribution distribution (not applicable)		-
Allocated Transfers		
▪ transfer to MTS	(160,700)	
▪ allocated transfer amounts: 1994 (includes interest post-31-Dec-97)	-	
▪ allocated transfer amounts: 1999 (includes interest post-30-Apr-99)	-	(160,700)
Assumptions & Methodology		
▪ retired employees liability	(384,000)	
▪ disabled employees liability	(17,900)	
▪ active employees liability	(182,000)	
▪ Cost of Administration Reserve	11,200	
▪ Contingency Reserve	94,757	
▪ Litigation Reserve	952,250	474,307 *
Excess/(Shortfall) December 31, 2000		$ 2,063,407

*The reduction in the mortality rates from 75% to 67% of CBG Life 1968-72 resulted in a $386,700 increase in the change in liability from $87,607 to $474,307.

- Break-Even Contribution Rate: 2001-2003

Dependents' Group Life Insurance Plan		Annual Cash Flow	Monthly ¢/1,000
Annual Expected Contributions			
▪ Actives (13,195 with coverage of $631,005,000)		$ 1,756,700	23.2
▪ Pensioners (2,001 with coverage of $40,837,500)		227,400	23.2
▪ Paid-Ups (not applicable)		-	-
▪ Waivers (231 with coverage of $10,350,000)		-	-
	Mean Contribution	$ 1,984,100	24.2
Annual Expected Premiums (45% of CBG Life 1968-72 "break-even" mortality)			
▪ Active Death Claims		$ 1,231,900	16.3
▪ Pensioner Death Claims		212,600	21.7
▪ Paid-Up Death Claims (not applicable)		-	-
▪ Waiver Death Claims		39,500	31.8
▪ Premium Taxes (2% of premium)		30,500	
▪ Claims Handling Charges (.66% of premium)		10,100	
▪ Conversion Risk Transfer (.14% of premium)		2,100	
▪ High Pooling Risk Transfer (not applicable)		-	
▪ Catastrophic Risk Transfer (not applicable)		-	
	Mean Premium	$ 1,526,700	18.6
Annual Expected Margin/(Deficiency)		$ 457,400	5.6

Based on a normal distribution, it is likely that 99.86% of the time the expected annual premium will be less than $2,375,400 (i.e. to the left of the red line set at the mean + 3 standard deviations). Based on this consideration, a claims fluctuation or contingency reserve equal to 3 standard deviations, or $848,700, has been established on the Valuation Balance Sheet.



5. Financial Data

- Asset Mix

	2000		1997	
Assets				
Cash/receivables/payables	$ 3,137,930	3.14%	$ 1,738,356	1.83%
Bonds - short-term	15,632,288	15.63%	15,604,151	16.45%
Bonds - long-term	39,386,488	39.39%	73,304,570	77.26%
Canadian Equity	22,831,626	22.83%	2,450,919	2.58%
U.S. Equity	12,779,161	12.78%	1,787,378	1.88%
Int'l Equity	6,227,369	6.23%	-	0.00%
	$99,994,862	100.00%	$94,885,374	100.00%
Liabilities				
Employees' Group Life Insurance Plan	$89,979,541	89.99%	$87,630,424	92.35%
AD&D Insurance Plan	5,572,714	5.57%	4,222,180	4.45%
Dependents' Group Life Insurance Plan	4,442,607	4.44%	3,032,770	3.20%
	$99,994,862	100.00%	$94,885,374	100.00%

- Reconciliation of Assets, 1998 - 2000

	Employees' Plan	AD&D Plan	Dependents' Plan	Total
Assets as at December 31, 1997	$ 87,630,424	$4,222,180	$3,032,770	$ 94,885,374
Contributions	31,521,579	2,037,929	5,695,570	39,255,078
Transfer from AD&D Plan	599,036	(599,036)	-	-
Benefit payments	(27,454,139)	(356,250)	(4,534,250)	(32,344,639)
Canada Life Charges (including premium taxes)	(974,150)	(38,002)	(148,606)	(1,160,758)
Expenses (administration and other)	(604,745)	(16,390)	(30,187)	(651,322)
Net investment income	14,706,485	472,182	588,007	15,766,674
Employee excess distribution	(15,318,375)	-	-	(15,318,375)
Transfer to MTS	-	-	(160,697)	(160,697)
Transfer to Manitoba Government Employees' Union	(12,200)	(14,600)	-	(26,800)
Transfer to Civil Service Superannuation Board	(11,100)	(13,300)	-	(24,400)
Transfer to Manitoba Public Insurance Corporation	(103,274)	(121,999)	-	(225,273)
Assets as at December 31, 2000	$ 89,979,541	$5,572,714	$4,442,607	$ 99,994,862
Net Average Rate of Return (annualized)	5.69%	3.27%	5.40%	5.55%

- Asset Adjustment Reserve: 5-Year Market Smoothing

Year Ended April 30	Net Realized and Unrealized Income	Net Rate of Return		Excess Income	Proportion	Amount
		Market	Assumed			
EMPLOYEES' PLAN						
1996	$ 8,946,616	11.37%	7.58%	$2,982,205	0%	$ -
1997	8,570,344	10.77%	7.25%	2,801,078	7%	196,100
1998	7,981,579	9.74%	6.83%	2,384,640	27%	643,900
1999	4,953,520	5.89%	6.00%	(92,511)	47%	(43,500)
2000	3,909,551	4.78%	6.00%	(997,835)	67%	(668,500)
2000 (8 mos)	3,308,685	3.84%	3.96%	(103,396)	80%	(82,700)
Asset Adjustment Reserve as at December 31, 2000 (NIL if negative)						$ 45,300
AD&D PLAN						
1996	$ 851,310	8.14%	7.58%	$ 58,567	0%	$ -
1997	323,922	4.89%	7.25%	(156,330)	7%	(10,900)
1998	(91,990)	(2.10%)	6.83%	(391,177)	27%	(105,600)
1999	163,839	3.79%	6.00%	(95,537)	47%	(44,900)
2000	177,678	3.71%	6.00%	(109,672)	67%	(73,500)
2000 (8 mos)	141,855	2.66%	3.96%	(69,328)	80%	(55,500)
Asset Adjustment Reserve as at December 31, 2000 (NIL if negative)						NIL
DEPENDENTS' PLAN						
1996	$ 362,656	13.78%	7.58%	$ 163,169	0%	$ -
1997	322,457	10.83%	7.25%	106,592	7%	7,500
1998	294,158	9.40%	6.83%	80,424	27%	21,700
1999	146,681	4.26%	6.00%	(59,912)	47%	(28,200)
2000	171,298	4.54%	6.00%	(55,087)	67%	(36,900)
2000 (8 mos)	157,966	3.73%	3.96%	(9,741)	80%	(7,800)
Asset Adjustment Reserve as at December 31, 2000 (NIL if negative)						NIL

- Allocated Transfer Reserves

	1999 (with Interest)		1994 (with Interest)		
	Group Life Portion	AD&D Portion	Group Life Portion	AD&D Portion	Total
Civil Service et al	$3,436,286	$2,096,422	$526,943	$ 45,818	$6,105,469
Assiniboine Community College	7,856	4,793	-	-	12,649
Keewatin Community College	3,213	1,961	-	-	5,174
Red River College	92,478	56,419	-	-	148,897
Brandon Regional Health Authority	-	-	-	-	-
Burntwood Regional Health Authority	1,429	872	-	-	2,301
Interlake Regional Health Authority	4,642	2,832	-	-	7,474
Marquette Regional Health Authority	4,285	2,615	-	-	6,900
North Eastman Regional Health Authority	2,499	1,524	-	-	4,023
Norman Regional Health Authority	3,213	1,961	-	-	5,174
Parklands Regional Health Authority	10,355	6,317	-	-	16,672
South Eastman Regional Health Authority	2,142	1,307	-	-	3,449
South Westman Regional Health Authority	3,213	1,961	-	-	5,174
Manitoba Hydro - Electric Board	1,087,169	663,265	-	-	1,750,434
Manitoba Public Insurance Corporation	221,722	135,269	-	-	356,991
Liquor Control Commission	92,036	56,149	48,422	57,691	254,298
Workers' Compensation Board	73,733	44,984	108,801	129,603	357,121
Manitoba Housing Authority	46,541	28,393	-	-	74,934
Alcoholism Foundation of Manitoba	44,450	27,117	67,898	80,870	220,335
Manitoba Lotteries Corporation	19,349	11,804	-	-	31,153
Manitoba Government Employees' Union	18,825	11,485	633	758	31,701
Manitoba Centennial Centre Corporation	14,119	8,614	25,126	29,917	77,776
Civil Service Superannuation Board	8,890	5,424	676	810	15,800
Manitoba Crop Insurance Corporation	8,367	5,104	18,581	22,204	54,256
Manitoba Pork Marketing Co-Op Inc.	6,275	3,829	8,414	9,934	28,452
Teachers' Retirement Allowances Fund Board	5,752	3,509	9,232	11,219	29,712
Manitoba Milk Producers Marketing Board	3,660	2,234	6,544	7,713	20,151
Communities Economic Development Fund	3,138	1,914	-	-	5,052
Crown Corporations Council	1,569	957	3,740	4,441	10,707
Manitoba Chicken Producers' Board/ Manitoba Turkey Producers' Marketing Board	1,046	638	1,870	2,220	5,774
Manitoba Hazardous Waste Management	523	319	-	-	842
Manitoba Horse Racing Commission	523	319	1,870	2,220	4,932
Total	$5,229,298	$3,190,311	$828,750	$405,418	$9,653,777

Interest is now credited post-1997 at the Fund rate of return to unpaid allocated transfer reserves.

6. Membership Data

Employees/Employer Profile

• **Active Employees**	Employer	Employees' Plan			Pension Fund
Non-Matching Employers	Code	Males	Females	Total	Total
1. Province of Manitoba Civil Service	CS	6,866	6,699	13,565	13,601
2. Manitoba Hydro - Electric Board	MH	3,336	888	4,224	4,208
3. Manitoba Liquor Control Commission	LC	259	192	451	460
4. Manitoba Public Insurance Corporation	AI/AIE	615	632	1,247	1,246
5. Addictions Foundation of Manitoba	AF	75	144	219	225
6. Communities Economic Development Fund	CE	10	6	16	16
7. Assiniboine Community College	ACC	106	138	244	250
8. Keewatin Community College	KCC	87	122	209	209
9. Red River Community College	RCC	439	403	842	865
10. Manitoba Agricultural Credit Corporation	AC	30	36	66	67
11. Manitoba Centennial Centre Corporation	CC	43	20	63	64
12. Manitoba Horse Racing Commission	RC	2	2	4	6
13. Regional Health Authority - Brandon	RBH	76	252	328	332
14. Regional Health Authority - Burntwood	RBW	3	33	36	36
15. Regional Health Authority - Central	RCA	29	123	152	151
16. Regional Health Authority - Interlake	RIL	11	95	106	106
17. Regional Health Authority - Marquette	RMQ	9	51	60	61
18. Regional Health Authority - Nor Man (The Pas)	RNM	1	26	27	29
19. Regional Health Authority - Nor Man (Flin Flon)	RNF	1	16	17	17
20. Regional Health Authority - North Eastman	RNE	6	30	36	37
21. Regional Health Authority - Parklands	RPL	23	93	116	117
22. Regional Health Authority - South Eastman	RSE	4	35	39	39
23. Regional Health Authority - South Westman	RSW	9	56	65	68
24. Winnipeg Regional Health Authority	RWA	33	300	333	334
25. Teachers' Retirement Allowances Fund Board	TR	8	18	26	26
26. The Council for Post-Secondary Education	UG	3	9	12	12
27. The Legal Aid Services Society of Manitoba	LA	39	89	128	130
Total Non-Matching		12,123	10,508	22,631	22,712
Matching Employers					
1. Civil Service Superannuation Board	SB	13	20	33	35
2. Crown Corporations Council	CR	2	3	5	5
3. Economic Innovation and Technology Council	MR	2	3	5	5
4. Gaming Control Commission	GC	8	4	12	13
5. Industrial Technology Centre	IT	24	8	32	34
6. Manitoba Arts Council	MA	-	-	-	6
7. Manitoba Chicken Producer Board	CB	1	3	4	4
8. Manitoba Crop Insurance Corporation **	CI/CIC	147	75	222	223
9. Manitoba Government Employees' Union	EA	25	23	48	48
10. Manitoba Hazardous Waste Management Corporation	HW	1	-	1	1
11. Manitoba Housing Authority	HA	159	101	260	262
12. Manitoba Lotteries Corporation **	LF	25	21	46	46
13. Manitoba Milk Producers Marketing Board	MC	7	12	19	19
14. Manitoba Pork Marketing Co-Op Inc.	HM	11	10	21	22
15. Manitoba Pork Council	PC	4	5	9	8
16. Manitoba Turkey Producers' Marketing Board	TB	-	2	2	2
17. National Agri-food Technology Centre	FD	6	9	15	16
Total Matching		435	299	734	749
Sub-total		12,558	10,807	23,365	23,461
Active Employees not participating in the Civil Service Superannuation Fund (Pension Fund)		266	378	644	-
Total Active Employees		12,824	11,185	24,009	23,461
• **Other Participants**					
- Deferred Pension Accounts	DA	-	-	-	2,469
- LTD Recipients	LTD	-	-	-	173
- Manitoba Reciprocal Agreements	RM	-	-	-	239
- Pending Reciprocal Agreements	RA	-	-	-	38
Sub-total Other Participants		-	-	-	2,919
Total Participants		12,824	11,185	24,009	26,380
• **Pensions in Payment**					
- Pensioners		5,372	2,600	7,972	9,096
- Pensioners not participating in the Pension Fund		161	58	219	-
- Survivors		-	-	-	1,903
- Disabled Employees		198	193	391	-
Grand Total		18,555	14,036	32,591	37,379

- Coverage Statistics

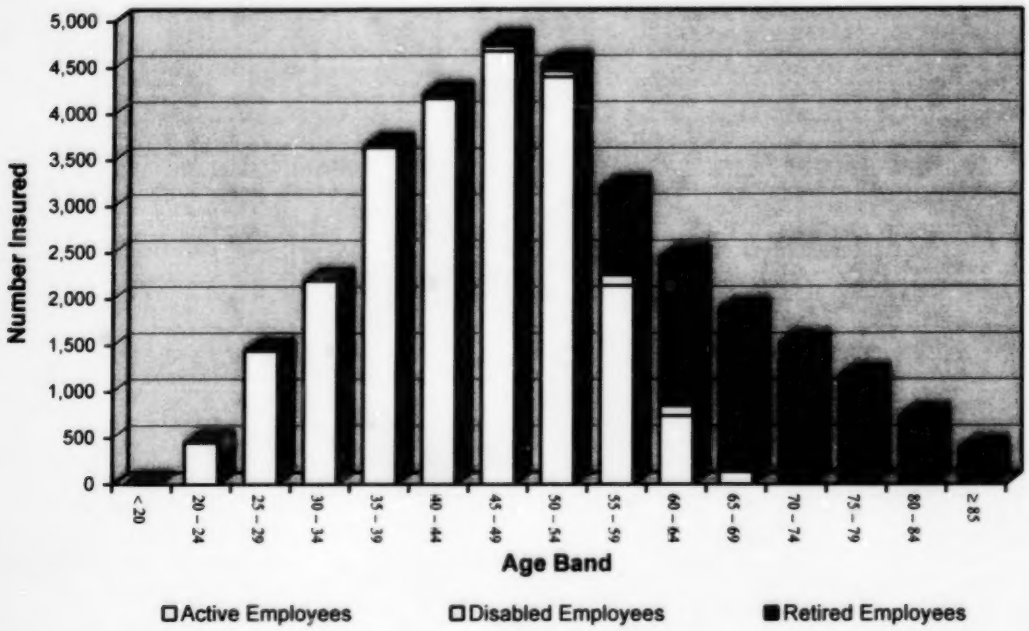
Category	December 31, 2000 Number	Average Age	Insurance Amount	December 31, 1997 Number	Average Age	Insurance Amount
Active Employees	24,009	43.97	$3,581,770,750	22,915	43.35	$3,210,666,227
Disabled Employees	391	54.64	50,585,000	393	54.19	45,204,586
Retired Employees	8,191	69.13	322,470,550	7,290	69.43	185,874,155
Total/Average	32,591	50.42	$3,954,826,300	30,598	49.70	$3,441,744,968

	Employees' Plan			AD&D Plan	Dependents' Plan		
	Active	Disabled	Retired	Active	Active	Disabled	Retired
< 20	13	-	-	13	1	-	-
20 - 24	449	-	-	449	71	-	-
25 - 29	1,437	-	-	1,437	383	-	-
30 - 34	2,195	1	-	2,195	895	4	-
35 - 39	3,638	10	8	3,638	1,938	13	4
40 - 44	4,168	25	22	4,168	2,366	31	13
45 - 49	4,679	57	50	4,679	2,849	36	26
50 - 54	4,398	67	75	4,398	2,842	75	40
55 - 59	2,141	119	936	2,141	1,362	72	441
60 - 64	737	112	1,598	737	422	-	780
65 - 69	135	-	1,737	135	66	-	697
70 - 74	17	-	1,498	17	-	-	-
75 - 79	2	-	1,162	2	-	-	-
80 - 84	-	-	723	-	-	-	-
85 - 89	-	-	293	-	-	-	-
≥ 90	-	-	89	-	-	-	-
Total	24,009	391	8,191	24,009	13,195	231	2,001

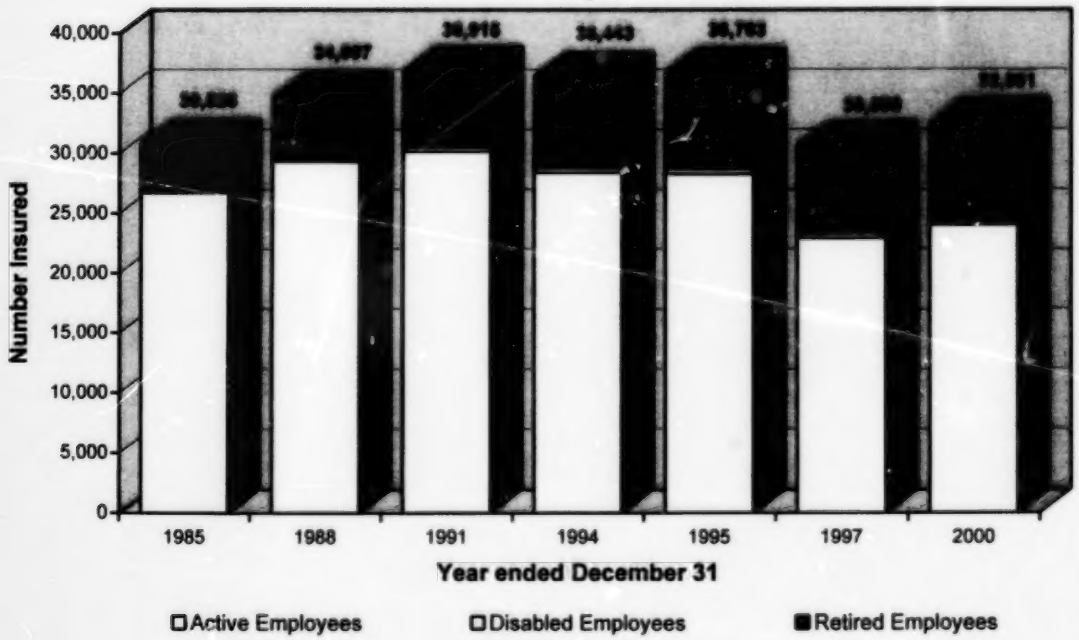
HISTORICAL MEMBERSHIP

Year	Active	Disabled	Retired	Total
1985	26,702	219	3,905	30,826
1988	29,298	277	5,122	34,697
1991	30,148	377	6,390	36,915
1994	28,379	399	7,665	36,443
1995	28,251	439	8,073	36,763
1997	22,915	393	7,290	30,598
2000	24,009	391	8,191	32,591

Membership Distribution as at December 31, 2000



Historical Membership Distribution



7. Benefit Summary

- Employees' Group Life Insurance Plan

Established	May 1, 1960
Last Revised	July 3, 1999
Eligibility	Compulsory if in pension plan.
Insurance Amount	Class 1 - 1 x Salary to $1,000,000 Class 2 - 2 x Salary to $1,000,000 Class 3 - 3 x Salary to $1,000,000 Class 4 - 4 x Salary to $1,000,000 Class 5 - 5 x Salary to $1,000,000 Automatically insured for 5 x salary; may select a lower class.
Reductions Pre-Retirement	Reductions occur on birthdate. No reduction prior to age 65, and reduce in 5-year steps to 75% of active coverage at age 65; 62.5% at age 70, and $3,000 paid-up at age 75.
Reductions Post-Retirement	No reduction prior to age 55. Reduce in 5-year steps to 75% of active unreduced coverage at age 55; 60% at age 60; 40% at age 65, and 15% at age 70, and $3,000 paid-up at age 73.
Contributions	Actives (generally): 23.0¢ monthly per $1,000 of insured coverage Class 1 to 5 (excl. 5th layer) - 72.5% Employee - 27.5% Employer Class 5 (5th layer only) - 100% Employee Disabled - 100% Fund Retireds: 23.0¢ monthly per $1,000 of insured coverage - 19.8% Employee - 80.2% Fund
Increasing Insurance Amount	Medical evidence required
Approved Leave of Absence or Lay-Off	Insurance optionally continued for a maximum of 4 years.
Waiver of Contributions	Following the later of expiration of sick leave or 6 months. Reserve held by Fund.
Conversion on Termination of Employment	Employees allowed to continue insurance privately (medical evidence not required)

- Accidental Death and Disablement Insurance Plan

Established	July 1, 1974
Last Reviewed	July 3, 1999
Eligibility	Same as Life, excluding Retired Employees.
Insurance Amount	Follows Life Class Selection Class 1 - 1 x Salary to $25,000 Class 2 - 2 x Salary to $50,000 Class 3 to 5 - 3 x Salary to $75,000
Reductions Pre-Retirement	% of Unreduced Insurance Amount

Life	100%
Both Hands	100
Both Feet	100
Sight of Both Eyes	100
One Hand and One Foot	100
Sight of One Eye and Either One Hand or One Foot	100
One Arm	66.67
One Leg	66.67
One Hand	50
One Foot	50
Sight of One Eye	50
Thumb and Index Finger of Same Hand	25

Reductions Post-Retirement	Not applicable (no coverage).
Contributions	100% Employer: 3.43¢ monthly per $1,000 of coverage.
Increasing Insurance Amount	Medical evidence not required.
Approved Leave of Absence or Lay-Off	Insurance optionally continued for a maximum of 4 years.
Waiver of Contributions	Not applicable.
Conversion on Termination of Employment	Not applicable.

- Dependents' Group Life Insurance Plan

Established	May 1, 1962
Last Revised	July 3, 1999
Eligibility	Spouse under age 70, in the Employees' Plan, and/or unmarried children under age 22, or unmarried children who became permanently disabled prior to age 22.
Insurance Amount	1 to 4 units of $15,000 for spouse 1 to 4 units of $3,000 per child
Reductions Pre-Retirement	100% of above schedule.
Reductions Post-Retirement	50% of above schedule.
Contributions	100% Employee: 23.2¢ monthly per $1,000 of coverage.
Increasing Insurance Amount	Medical evidence required if units are decreased and later increased.
Approved Leave of Absence or Lay-Off	Insurance optionally continued for a maximum of 4 years.
Waiver of Contributions	Following the later of expiration of sick leave or 6 months. Reserve held by Fund.
Conversion on Termination of Employment	Dependents allowed to continue insurance privately (medical evidence not required).

8. Assumptions & Methodology

- Actuarial Methodology

The liabilities for future disabled employees and future retired employees reflects only those active employees who are age 55 or older at the valuation date (eligible to retire). This protects the Fund from abnormal increases in liability due to events such as voluntary early retirement incentive programs. The contribution rate level is sufficient, on average, to provide for active employees younger than age 55 at the valuation date.

The liabilities for existing retired employees and existing disabled employees have been retained due to the ongoing post-retirement and waiver of contribution coverage which continues to be the responsibility of the Fund. These liabilities may only be eliminated if the participating employees or the employers are willing to assume these responsibilities. Similar liabilities would have to be established by a succeeding insurer if the Fund were ever wound-up.

AD&D Insurance ceases on retirement, disablement, and termination of employment. As a result, no liabilities exist in these situations. Further, prior to retirement, the AD&D contribution rate is, on average, adequate to provide for the insurance protection.

The actuarial methodology is identical to that used in the 1997 Valuation Report.

- Asset Valuation Method

In the valuation process, it is necessary to determine an appropriate value of the assets of the Fund as well as an appropriate value of the liabilities. The book value or market value of the assets of the Fund on any specific day may or may not accurately reflect the real value of those assets.

As a result, a 5-year market-related asset valuation technique has been continued in this Report. The utilized value of the assets equals the maximum value of the assets, less an asset adjustment or smoothing reserve.

The asset adjustment reserve may be directly computed to be equal to the sum of 80%, 60%, 40%, and 20% of the current calendar year and prior 4 calendar years' investment experience gain/(loss), respectively. This is equivalent to 80% of the last 8 months and 67%, 47%, 27%, and 7% of the prior 4 policy years ending April 30. Details of these calculations are found on page 16.

If over a 5-year period, the actual return on assets equals the assumed rate of return (6.00% per year for this Report), then the asset adjustment reserve is nil.

If the asset adjustment reserve calculation produces a negative reserve (i.e. an asset write-up), then the reserve has been reduced to nil.

- Assumed Rate of Return and Inflation Rate

Asset Class	Basis	Historical Mean Real Rate	Asset Class Adjustments	Estimated Mean Real Rate	Target Asset Weight	Weighted Mean Real Rate
Short-Term	Real 91-day T-Bills	2.36%	(0.66%)	1.70%	10.00%	0.17%
Bonds	Real Cdn Long Bonds	2.99%	(0.29%)	2.70%	40.00%	1.08%
Canadian Stocks	Real TSE 300	6.55%	(0.85%)	5.70%	25.00%	1.43%
U.S. Stocks	Real S&P 500 in Cdn$	9.09%	(2.39%)	6.70%	16.00%	1.07%
Int'l Stocks	EAFE in Cdn$	13.39%	(3.69%)	9.70%	9.00%	0.87%
Rounding	To nearest .25%					(0.12%)
Best Estimate Asset Real Rate					100.00%	4.50%
Provision for Investment Management Expenses						(0.15%)
Provision for Adverse Deviation						(1.35%)
Valuation Real Interest Rate						3.00%
Valuation Inflation Rate (CPI)		4.11%	(1.11%)	3.00%		3.00%
Valuation Assumed Rate of Return						6.00%

- The 50-year short-term asset class mean was adjusted to recognize account receivables and payables, and lower average mean real rates earned over other 50-year periods prior to 2000.

- The 50-year bond asset class mean was adjusted to recognize 50% of the bond portfolio is invested in provincials and corporates earning .90% higher real rates, losses on long bonds can be largely eliminated in a buy and hold strategy, and lower average mean real rates earned over other 50-year periods prior to 2000.

- The 50-year Canadian stocks asset class mean was adjusted to recognize the TSE 300 Index as an initial proxy for investment performance, historical average spread of .50% below the TSE 300 performance for environmental/political constraints, and lower average mean real rates earned over other 50-year periods prior to 2000.

- The 50-year U.S. stocks asset class mean was adjusted to recognize the S&P 500 (Cdn$) Index as an initial proxy for investment performance, historical average spread of 1.00% above the Canadian Stock performance, and lower average mean real rates earned over other 50-year periods prior to 2000.

- The 30-year international stocks asset class mean was adjusted to recognize the EAFE (Cdn$) Index as an initial proxy for investment performance, historical average spread of 4.00% above the Canadian Stock performance, and lower average mean real rates earned over other 50-year period prior to 2000.

- Mortality Rates

  - Employees' Plan - Non-Disabled: The 1989-1991 Canadian Institute of Actuaries Group Life Study indicated, for government services, mortality for reserving purposes would be in the range of 59.83% (male) to 71.77% (female) of the Canadian Basic Group (CBG) Life Mortality Table 1968-72. As a result, for this Report on the valuation balance sheet, we have reduced the mortality rates from 75% to 67% of CBG Life 1968-72.

    However, for break-even contribution/premium purposes, based on Plan experience, we have estimated future contribution and premium rates based on 45% of CBG Life 1968-72.

  - Employees' Plan - Disabled: If an insured employee becomes disabled, he is eligible for a waiver of contributions. The contributions which the insured employee would otherwise have made are waived up to the earlier of age 65 or recovery. After age 65, contributions resume.

    The value at the date of disability of the future insurance benefits is based upon the full recovery rates and 67% of the mortality rates contained in the 1970 Krieger Group Life Premium-Waiver Valuation Table. These rates are based upon the combined experience of 12 major life insurance companies. These rates estimate the likelihood, at each duration of disablement, that an employee who is disabled will recover or die while his insurance is in force.

    These rates have been continued in use for this Report.

  - AD&D Plan: The mortality rates used here are based on Plan experience developed from studies made of accidental death and disablement claims. These rates include a provision for adverse deviation.

    The existing rates have been continued in use for this Report.

  - Dependents' Plan: The mortality rates used here have been reduced from 75% to 67% of the CBG Life 1968-72 as it is anticipated the mortality experience of dependents will parallel that of the Employees' Plan - Non-Disabled.

- Disability Rates (including recovery) - These are Plan experience developed rates based on studies of those disablements which caused contributions to be waived.

  The existing rates have been continued in use for this Report.

- Actuarial Rates from the Pension Plan

As in prior valuations, the following actuarial assumptions are identical to those used in the most recent valuation of the Civil Service Superannuation Fund as at December 31, 1998:

	2000	1997
· Annual Rate of Productivity	.50%	.75%
· Annual Rate of General Salary Increases	3.50%	3.75%
· Service, Merit and Promotion	actual experience (reduced rates)	actual experience
· Retirement Rates	actual experience plus caution (rates stop at 65)	actual experience plus caution

- Proportion of employees electing to continue life insurance protection after retirement: 75% has been continued in this Report based on continuing experience.

- Proportion of active employees having dependent coverage: rates vary depending on age and sex have been continued for this Report.

- Canada Life Retention & Risk Transfer Protection (% of premium)

	2000	1997
· Employees' Plan	3.76%	3.20%
· AD&D Plan	3.88%	4.50%
· Dependents' Plan	2.80%	2.70%

The increase in the Employees' Plan is mainly due to the introduction of the high pooling charge of .65%.

- Cost of Administration Reserve

The capitalized value of estimated future expenses (excludes Canada Life retention and risk transfer protection charges) due to administration and professional fees for each of the 3 insurance plans for the next 15 years has been reserved on the Valuation Balance Sheets as follows:

	2000 Valuation	1997 Valuation
· Employees' Plan	$1,497,900	$1,462,400
· AD&D Plan	76,500	191,300
· Dependents' Plan	127,800	139,000

Expense experience under the AD&D and Dependents' Plan has decreased or improved in the last 3 years. The Employees' Plan experience has also improved once recognition is made of inflation and the exclusion of the unusual or extraordinary costs incurred in changing the Plan on July 3, 1999 and the excess employee contribution distribution recently made.

- Contingency Reserve

The limited underwriting that occurs for group insurance exposes the Fund to anti-selection. In addition, claims fluctuations occur on an annual basis. As a result, margins or provisions for adverse deviation should be maintained to offset such experience. Contingency Reserves to provide for possible future adverse deviations, equal to a portion or multiple of next year's expected premiums, have been established on the Valuation Balance Sheets. The size of the Contingency Reserve is related to the size of the premiums and assets of each Plan relative to the possible claims fluctuations. This reserve provides some assurance that claims fluctuations will not result in an unanticipated contribution rate increase in the near future.

For this Report, the Contingency Reserve is set at 3 standard deviations. In the table below, we have expressed the reserve as a percentage of the annual premium expected to be paid to Canada Life in the next 3 years:

	2000 % of Premium	1997 % of Premium
· Employees' Plan	40%	25%
· AD&D Plan	113	200
· Dependents' Plan	56	57

- Special Reserve

For the 1997 Valuation Report, the change in actuarial practice after giving recognition to the Contingency Reserve was set aside in a Special Reserve. A decision was made by the parties to increase benefits effective July 3, 1999 by this amount which largely resulted in an elimination of this Reserve.

- Transfer to Employees' Plan from AD&D Plan

Prior to July 3, 1999, part of the employers' contribution for active employees' coverage in Classes I to V (excluding 5th layer) on salary above $37,500 was made by a transfer from the AD&D Plan. The amount so charged offsets the increase in employer contributions that otherwise would have occurred as a result of the changes that became effective on May 1, 1992.

As a result of the changes effective July 3, 2000, the need to transfer amounts from the AD&D Plan to the Employees' Plan is not longer required.

- Dependents' Plan Litigation Reserve

An amount equal to $952,250 was reserved for possible increased Dependents' Group Life claims in litigation and litigation costs in the last Valuation Report. Potentially, an amount equal to $164,617 (17.2872% of $952,250) as at December 31, 1996 was to be refunded to MTS. This issue has been resolved and no further reserve is required.